

## How to Monetize & Expand Your EV

Dear Sir/Madam,

### The BIG Idea.

Capitalize on client's need for a portfolio of end-to-end compliance solutions.



While there will always be need for transactional service vendors; today's professional is overwhelmed with the amount of tech, data, compliance and regulatory requirements. Very few are tech-enabled and leveraging the digital ecosystem of tools to connect higher value-added work to their certified professionals and ensure administration is largely automated.

As service companies **transition** from project/consulting **services** to recurring managed **solutions**; there are a number of options to monetize the EV (enterprise value) of your practice.

### Monetizing Your Company Options

#### 1. Portfolio Expansion

Increase the profits from each customer with complimentary industry centric solutions.

#### 2. Market Expansion

Service underserved customers and niches

#### 3. Strategic Expansion

Leverage strategics, globals, and tech-enabled leaders via alliances, revenue share agreements, & comarketing.

On the following few pages I've highlighted **these options** for your review.  
*More detailed briefing available upon request.*

Most sincerely,  
Charles Bedard, Managing Director, ERGO Comps, LLC

ERGO Comps, LLC

O: 281.756.7178

[www.ERGOCOMPS.COM](http://www.ERGOCOMPS.COM)

# Impact Summary

Beyond referrals and technology, revenue share partners benefits include:

- ❖ Revenue Share Agreement
- ❖ Access to Ecosystem of tools and apps
- ❖ Data License
- ❖ Lead Generation / Lead Sharing / CoMarketing

## Deal Profiles

- Companies that provide recurring solutions which create an annuity
- Profitability Margins 65% to 85% by solution

### Expansion

**HCM Compliance Platforms**  
The "HCM Compliance as a Service" Market

There are hundreds of private HCM companies with greater than \$1m in annual revenues that provide HR, ADP, HCM or HR Services that combine HR compliance and shared services tools with tools and content.

Key categories include: HR, Payroll, Compliance, and HRIS.

### Solutions

**HCM Midmarket Private Star Performers**

Star Performer Comparables

Model Type	Services	Outsourcing	Managed Solutions
Business Model	Recurring, project based services	Outsourced services based on cost savings on 10% and shift staffing model	Managed solutions delivered via the cloud for transaction processing and recurring services
Contract Length	Project based	1 to 3 years	3+ years
Revenue	\$100K	<\$100K	>\$100K
Margin	+30%	20% to 40%	+40%
Gross Profit Margin	25% to 45%	35% to 55%	+55%
Market Share	<1%	2%	+2%

The BPAaaS Industry Solution Model Impact versus traditional Services:

- 55% Gross Profit Margin
- 4X in service fees for each \$1 spent on the client side
- \$171,270 Average revenue billed per full-time employee based on the top 20 HR/HRM service vendors
- Net Income of 15% versus 7% industry average

### Compliance

**Small Business Corporate Compliance Industry Snapshot**

Company Regulatory F&I HR & WFM

Key services include: Corporate Compliance, HR & WFM, and various regulatory services.

This snapshot is merely illustrative based on publicly available information, excludes (black) and (white) companies, and is not exhaustive. Contact ERGO. More than 500 companies funded since 2012. For a complete list contact ERGO.

Small Business Compliance Requirements Example

Corporate Services	BackOffice Services	Legal & Advisory	Industry
<ul style="list-style-type: none"> <li>Corporate Compliance</li> <li>Corporate Reporting &amp; Filing</li> <li>Corporate Representation</li> <li>Regulated Agent, Broker, Services</li> <li>Inspection &amp; Penalties</li> </ul>	<ul style="list-style-type: none"> <li>Contracting, Rq, Procurement, CRM Management &amp; Compliance</li> <li>Accounting</li> <li>Tax</li> </ul>	<ul style="list-style-type: none"> <li>Financing</li> <li>Insurance</li> <li>Legal Resources</li> <li>Licensing</li> <li>Real estate, IP</li> </ul>	<ul style="list-style-type: none"> <li>SPAC, Digital</li> <li>Privacy, Identity</li> <li>GovTech, GovCon</li> <li>Healthcare, Medical, SPSA</li> </ul>

## Briefing

→ For a complete list of opportunities, & a detailed review of your deal options, contact ERGO to schedule your complimentary deal briefing.

Direct 1-281-756-7178 | [ERGO@ERGOcomps.com](mailto:ERGO@ERGOcomps.com)

## Portfolio Expansion Options

### Portfolio Snapshot

Compliance Services	Industry Services	Benefits Admin	Revenue Share Opportunities
<ul style="list-style-type: none"> <li>+ Background [multiple]</li> <li>+ Verifications [multiple]</li> <li>+ Credit, Risk</li> <li>+ Databases [multiple]</li> </ul>	<ul style="list-style-type: none"> <li>+ Motor Vehicle, Driver, CDLIs, FACIS</li> <li>+ Volunteer / Nonprofit</li> <li>+ Professional License</li> </ul>	<ul style="list-style-type: none"> <li>COBRA, ACA, FMLA, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Health Screening</li> <li>Drug Testing</li> <li>Compensation</li> <li>eRecruiting</li> </ul>
<ul style="list-style-type: none"> <li>+ I-9, eVerify</li> <li>+ Worker's Comp</li> <li>+ EEOC</li> <li>+ Testing &amp; Assessments</li> </ul>	<ul style="list-style-type: none"> <li>+ F&amp;I</li> <li>+ Due Dilligence</li> <li>+ Security</li> <li>+ Government, Federal Contactor</li> <li>+ Internationall / Global</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Wellness</li> <li>Financial Wellness</li> </ul>	<ul style="list-style-type: none"> <li>Helpline, Hotline</li> <li>HR Compliance</li> <li>Tax Compliance, Credits, Incentives</li> <li>Financial Screening</li> <li>Credit &amp; Insurance</li> <li>Workforce Management</li> </ul>

→ Some of these you already provide, why not captialize and offer the others...

→ Revenue impact of \$1.3x lift for every \$1 in FY revenues + 5x NLTV

### Industry Landscape Snapshot

Company	Regulatory	WFM	HR
<p>Corporate HR &amp; Employee Compliance Tax Compliance Credits and Incentives</p>	<p>Goverance, GRC, Monitoring RegTech, SOX, ERM, EHS, Blockchain, Data reporting, Data management Professional Licenses Insurance, Fraud, Privacy Vendor Management Contract Management Audit, Hotline, ISO, Global</p>	<p>Contractors, Marketplaces Workforce Management</p>	<p>Employee Compliance, Employer Compliance, Contractor, Gig, Freelancer Compliance Employment Screening Background Checks, Employment Verifications, Reference Checks, ACA, i9, everify, EEOC, Tax credits and incentives, FCRA reporting, esafety, LMS, Training, CPE, HIPPA</p>

*This snapshot is merely illustrative based on publicly available information, excludes Globals and holding companies, and is not exhaustive. Overlap exists. More than 500 companies funded since 2012. For a complete list contact ERGO.*

ERGO Comps, LLC

O: 281.756.7178

www.ERGOCOMPS.COM

## Strategic Expansion Partner

The company is the **trusted partner** manager of compliance and workforce administration. Differentiated in the market by delivering the right bundle of solutions, at the right price for their unique needs.



*The value-proposition is compelling:* Clients are assigned a **certified Pro Concierge** that provides guidance, access to an impressive portfolio of end-to-end solutions, and assigns expert resources based on their unique needs at an affordable fixed monthly price that ensures compliance and peace-of-mind.



Founded in 2009, and serving clients nationwide, the company has a virtual team across the United States.

### **Impact Summary.**

The Company currently serves thousands a month that value having a dedicated partner team, versus an inhouse resource. And the company provides a depth of end-to-end solutions not readily available to most organizations at a price they can afford. The impact go beyond moving services to a subscription solution:

- **150%** higher FY revenues per customer
- **2X** more profitable
- **4X** more solutions delivered per customer

### **Solutions Summary.**

Client needs solved with solutions instead of vendors.

Benefits	→	Solutions
<a href="#">Ease Compliance Worries</a>		<a href="#">Low-Cost Bundles</a>
<a href="#">Simplify Admin &amp; Processes</a>		<a href="#">Virtual Support</a>
<a href="#">Attract &amp; Keep Quality Workforce</a>		<a href="#">Worker Benefits Support</a>

→ Offer clients a portfolio of end-to-end compliance solutions.

ERGO Comps, LLC

O: 281.756.7178

www.ERGOCOMPS.com

# Reinventing the HR Model



The organization is the **trusted HR partner** for HR compliance and workforce support.

Currently, the company has an impressive portfolio of end-to-end HR solutions supported by a team of certified HR pros serving small business entrepreneurs, and industry midmarket partners.

## The HR Concierge Model

Clients are assigned a **certified HR Pro Concierge** that provides guidance on the right solutions at the right price, overseas implementation, provides access to solutions, and assigns expert resources based on the unique needs of the organization. All at an affordable fixed monthly price that ensures compliance and peace-of-mind.



Personal Service



Knowledgeable Experts



Affordable Pricing



Secure Infrastructure



Corporate Solutions



Cloud Solutions



Backoffice Administration 1-800 Certified Pro Advisor



## Beyond Vendor Services to Industry Solutions

The HR Concierge solution includes

Guidance	On-demand Support to Questions Answered as needed	Proactive guidance year around	Subscription pricing is transparent, flexible, scalable	Tech-enablement
Spend & Procurement Recommendations	Industry Benchmarks & Recs	HR Compliance beyond handbooks & policies	Virtual Support Model	Suite of apps

ERGO Comps, LLC

O: 281.756.7178

www.ERGOCOMPS.com